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C O N F I D E N T I A L SECTION 01 OF 03 BAGHDAD 002427

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TAGS: [PBTS](#) [PREL](#) [MARR](#) [MOPS](#) [IZ](#) [KU](#) [IR](#)
SUBJECT: IRAQI-KUWAITI BILATERAL ISSUES

REF: A. KUWAIT 841 (NOTAL)
[1](#)B. KUWAIT 837 (NOTAL)
[1](#)C. BAGHDAD 2137

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Classified By: Special Advisor Gordon Gray for reasons 1.4 (b) and (d)

Summary

[1](#)1. (C/REL MNFI) In an August 2 meeting at the Ministry of Foreign Affairs, Deputy Foreign Minister Muhammad Hamoud discussed the state of relations between Iraq and Kuwait with Senior Advisor for Southern Iraq Affairs Gordon Gray. Addressing a wide range of border and other bilateral issues, Hamoud told Gray that he had been charged by a high-level inter-ministerial Committee to "go to Kuwait to resolve all remaining problems, some of which are easy and some of which are difficult." Hamoud and Gray discussed the status of the MOU for clearing the Khor Abdulla waterway (KAA) of shipwrecks; moving Iraqi farmers from the Kuwaiti side of the border to a yet-to-be-built complex; construction of a new border crossing at Safwan; maintaining the border; exploration of the common oil fields (vice construction of a redundant oil pipeline); and the exchange of Ambassadors with Kuwait (and arrival of Arab League envoy to Iraq). End summary.

KHOR ABDULLA MOU

[1](#)2. (C/REL MNFI) In an August 2 meeting between Deputy Foreign Minister Muhammad Hamoud and Senior Advisor for Southern Iraq Affairs Gordon Gray, Hamoud told Gray that an MOU covering clearing the KAA waterways of shipwrecks (ref c) was still awaiting Prime Minister Maliki's formal approval, although he agreed with its terms "in principle." Hamoud said that Maliki, however, wanted to go over each paragraph of the MOU and was waiting for the opinion of his legal advisors before approving provision of the MOU to Kuwait. Hamoud chafed at what he described as Kuwaiti interference with Iraqi navigation in the KAA, which he said had previously been "one hundred percent Iraqi." He recognized that an agreement for wreck clearing would not resolve that issue but added that Iraq intends to raise "unacceptable" Kuwaiti efforts to impose rules on Iraqi navigation in the KAA. "We will raise it in a friendly way, to see what the reaction is in Kuwait," he said. Hamoud stated he has definite plans to travel to

Tehran on August 25 and hopes to make a visit to Kuwait either immediately before or immediately after the visit to Iran and expects to take an approved MOU with him on that trip.

RELOCATING IRAQI FARMERS

13. (C/REL MNFI) Gray advised Hamoud that the Kuwaitis raised several issues with him in his recent meetings with Kuwaiti government officials (refs A and B). One such issue was the presence of Iraqi farmers and their families living on the Kuwaiti side of the border. Gray advised that the Kuwaiti Fund for Arabic Economic Development was willing to fund construction of a 202-unit housing complex for the Iraqi farmers, but the officials were frustrated that they did not have a point of contact in the GOI's MFA. Hamoud insisted that he had already provided the GOK with a point of contact (POC) for the project and even engaged in a brief back and forth with Undersecretary Jarallah over contractor selection - with both governments suggesting the other should make the choice. Hamoud said he understood the Kuwaitis to have agreed to making the final selection of the contractor and controlling the work; but since then he had heard nothing from the GOK. At Gray's request, Hamoud agreed that his aides would provide the name of the MFA point of contact to pass to the Government of Kuwait. (Note: we have not yet received the point of contact but will provide it to Embassy Kuwait as soon as we do. End note.)

14. (C/REL MNFI) Hamoud also said that he was aware of Iraq's obligation to build a road along the border once the Kuwaiti's finished building the complex that would house the

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displaced Iraqi farmers. The complex would contain not only 202 housing units, but also a mosque, a school, and even a hospital. Hamoud said and that families to be moved would be compensated with these new homes, rather than with cash.

SAFWAN BORDER CROSSING

15. (C/REL MNFI) Gray raised the issue of the limited hours of operation at the Safwan border crossing, with the result that trucks are backed up for miles. Hamoud said he was aware of the problem and had seen the backup for himself. He added that although he knew the GOI had sent plans to the GOK relative to construction of a new border facility, the MFA did not have the lead on this issue. The matter was to be handled through the Customs officials at the Ministry of the Interior. Hamoud promised to contact the Ministry and determine who the appropriate point of contact is for the GOK's engagement.

PILLAR 105

16. (C/REL MNFI) Hamoud told Gray that the border-related problem with the greatest likelihood of speedy resolution was the removal of a small concrete building-like structure left by British forces at Pillar number 105 near the city of Um Qasr. Hamoud said that he had spoken to the Prime Minister about it and the building was going to be removed soon. "We must do it," he said, adding that it was only bureaucracy that had prevented it from being removed earlier. "Bureaucracy is killing everything," he lamented.

SOUTHERN OIL REDUNDANCY PIPELINE

17. (C/REL MNFI) Asked whether the GOI had plans to replace

aging oil infrastructure with a new pipeline into the KAA, Hamoud demurred, saying that Iraq and Kuwait shared the goal of exploring the common oil fields and had no plans to invest in a redundant pipeline. Hamoud explained that he was a member of a ministerial committee headed by the MFA and consisting of the Ministers of Finance, Oil, and Interior authorized to address relations between Iraq and Kuwait. Two years ago, he said, the GOI and GOK formed a joint committee to discuss exploring their common oil fields. The committee met twice, agreed to "an arrangement with the help of an international company" and are now awaiting the scheduling of a third meeting. Pressed on whether the Minister of Oil might foresee pursuit of a pipeline redundancy plan, Hamoud stated: "I have no idea; but I know that his priority now is exploration of the common oil fields."

AMBASSADORS AND ENVOYS

¶18. (C/REL MNFI) On the subject of exchanging Ambassadors, Hamoud recognized that Kuwait had taken the initiative in recently announcing the name of its Ambassador to Iraq. He said that the MFA had submitted the name of a career Iraqi diplomat to the Prime Minister and was expecting a decision soon; not only for Kuwait, but for Saudi Arabia, Egypt and UAE as well.

¶19. (C/REL MNFI) Gray raised the recent announcement of retired Egyptian diplomat Hani Khalaf as the new Envoy of the Arab League to Iraq. Hamoud responded favorably, calling Khalaf a good man, who "comes as a friend to Iraq."

NO CONNECTION TO SADDAM'S REGIME

¶10. (C/REL MNFI) Near the conclusion of the meeting, the Deputy Foreign Minister asked for U.S. assistance in reassuring the Kuwaitis that Iraqis were not the same people as the invaders of Kuwait in 1990. Citing lingering Kuwaiti suspicion, Hamoud said, "We don't agree with what Saddam Hussein did to Kuwait and we have no connection to that

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previous regime." He asked Gray to help convince the Kuwaitis that the "Iraqi government was not like that anymore."

IRANIAN ADVICE: 'BE CAREFUL OF THE AMERICANS'

¶11. (C/REL MNFI) Finally, Hamoud referenced his upcoming visit to Iran and jokingly commented that he would not ask for the same assistance from the U.S. toward the government of Iran. He went on to state that whenever he meets with the Iranians, they always admonished him to be careful with the Americans, "not to give them too much trust."

COMMENT

¶12. (C/REL MNFI) Hamoud seemed assured that the MOU for the KAA waterways wreck removal agreement was near approval and would be ready for provision to Kuwait during his visit at the end of August. (The same cannot be said regarding hopes that Iraq might seek Kuwaiti approval of an MOU to permit a survey of the KAA Waterway in support of a new oil pipeline, as envisioned by the proposed Southern Oil Export Redundancy Project (SERP). The issue was not on Hamoud's radar screen and, according to Hamoud, was not at all a priority for the Minister of Oil.) End comment.

